

Report of The Audit Committee for 2001.....

The Board of Directors of the PTT formally appointed the Audit Committee on 24 August 2000 which comprised three independent directors; Mr. Pala Sookawesh as Chairman and Mr. Chaiwat Wongwattanasan and Mr. Sommai Khawkachaporn as members. The corporatization of PTT into PTT Public Co., Ltd. on 1 October 2001 resulted in the reconstitution of the Board of Directors and also the Audit Committee. The Audit Committee now comprises :

Mr. Chaiwat	Wongwattanasan	Chairman
Mr. Chongrak	Rarueysong	Member
Mr. Olarn	Chaipravat	Member

The role of the Audit Committee is to promote good corporate governance through ensuring PTT has a proper system of internal controls and appropriate risk management practices. As set out in the Audit Committee Charter dated 1 October 2001, approved by the Board of Directors, the Audit Committee discharges its duties mainly by

- reviewing the adequacy, transparency and objectivity of PTT's financial reporting processes
- reviewing the adequacy and effectiveness of the internal control systems and internal audit function
- reviewing compliance with the Securities and Exchange Act., including the rules, notifications, and regulations thereof; and the rules and regulations of the Stock Exchange of Thailand and any other relevant laws
- reviewing compliance to resolutions of the Cabinet and policies of the Board of Directors
- preparing a report on the activities of the Audit Committee for the Company's annual report
- performing any other duties as delegated by the Board of Directors with the consent of the Audit Committee.

In discharging its duties, the Audit Committee routinely interacts and receives formal reports from management, the Internal Auditing Office (IAO) and Office of the Auditor General (OAG). In 2001, the Audit Committee held four regular meetings and two extraordinary meetings with these parties to :

- Determine the adequacy of the Audit Committee's operations
- Review the quarterly and annual financial statements of PTT, its subsidiaries and associates to ensure transactions are conducted and recorded and complies with proper accounting principles
- Review the annual internal audit plan (2002) and long term internal audit plans (2002 - 2004) prepared by the IAO
- Review the independence and adequacy of internal audits performed by the IAO and OAG
- Review results of operational audits performed in 2001 by the IAO for the Company, its subsidiaries and associates
- Review results of internal audits over the security of computer systems
- Review potential obligations, claims and litigation of PTT
- Nominate the OAG to serve as PTT's auditor and recommend OAG's remuneration that is subject to approval at the General Meeting of Shareholders for fiscal year 2002.

Mr. Chaiwat Wongwattanasan
Chairman of the Audit Committee